

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1982 - HB 2460

February 25, 2020

SUMMARY OF ORIGINAL BILL: Requires the Department of Labor and Workforce Development (Department) to establish an adult workforce diploma pilot program (program) for the purpose of assisting adults 19 years of age or older in obtaining a high school diploma and developing employability and career and technical skills. Specifies that the educational portion of the program shall operate in the three fiscal years beginning in FY20-21.

Requires the Department, by August 15, 2020, and by August 15 of each of the following two fiscal years, to issue a request for applications from program providers interested in participating in the program. By September 15, 2020, and by September 15 of each of the following two years, the Department must notify applicant providers of whether they've been approved. Upon approval, such providers may begin enrolling eligible students. Once approved, a provider is not required to annually reapply, unless the provider was removed by the Department's list of approved providers for failing to meet minimum performance standards.

Requires the Department to provide payments, ranging in amount, to providers based on eligible students' level of completion. Prohibits such payments from exceeding \$10,000,000 total for the entire three-year program.

Requires the Department to submit a report on the outcomes to the appropriate legislative committees by October 1, 2022 and by October 1 of each subsequent fiscal year in which the program operates.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$3,333,000/Each Year FY21-22 through FY23-24

SUMMARY OF AMENDMENT (015404): Deletes and replaces language in the bill such that the only substantive change requires program providers to conduct surveys of individuals who earn a high school diploma and from whom a program provider received funding.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The number of program providers which will participate in this program and the number of eligible students which will ultimately enroll in this program is unknown.
- Being that this program is assumed to be free for eligible enrollees, it is assumed a large number of people will enroll.
- It is assumed that the maximum number of payments will be made to approved providers over the 3 fiscal years in which the program operates, for a total payout to providers of \$10,000,000.
- Payments will be made at the end of the school year, which is undefined by this legislation.
- For purposes of analysis, it is assumed that initial payments will be made after figures from the first year have been tallied.
- First payments to providers will occur in FY21-22 and will subsequently continue into FY22-23 and ending in FY23-24. An average payout per fiscal year of \$3,333,333 (\$10,000,000 / 3 years).
- Any increase in state expenditures for the Department to establish the pilot program are estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/jdb